



GARBAGE RATE ADJUSTMENT

FY2021-22

CITY COUNCIL MEETING

Qianyu Sun, Finance Director

August 24, 2021

Objective



- Receive an overview of Recology's rate application for FY2021-22 and describe the review process
- Waive first reading and introduce an ordinance enacting a 1.87% rate increase for Recology effective October 1, 2021

Agenda



1. Franchise agreement with Recology San Bruno
2. Rate adjustment for FY2021-22
3. Historical Rate Adjustment Comparison
4. Residential and commercial totter rate change
5. Postpone Rate Increase to October 1
6. Public Notice
7. Protest period and timeline to implement new rates
8. Staff recommendation
9. Questions



Franchise Agreement

- Franchise agreement between the City of San Bruno and Recology
- Effective July 1, 1998 and expires June 30, 2024
- Solid waste collection services
- Billing, record keeping, billing fees, etc.
- FY2021-22 rate adjustment based on an “Interim” rate year analysis, primarily based on CPI, reviewed and verified by staff
- Detailed rate review by an independent consultant occurs every 3 years and is due for FY 2022-23

Proposed Rate Adjustment FY2021-22



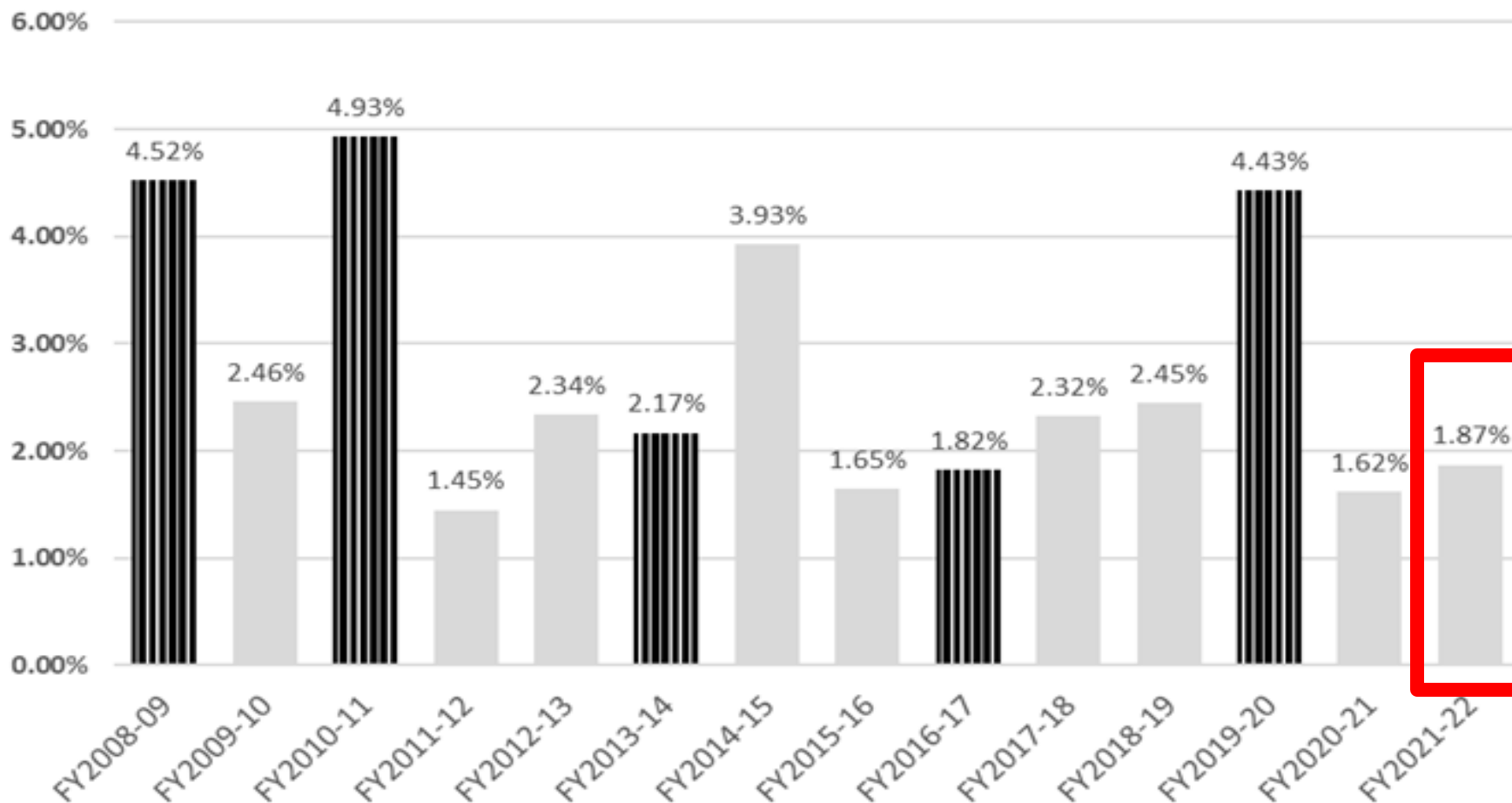
- Garbage service rate requested increase of **1.87%**
- New rate to take effect in FY 2021-22, if approved by City Council
- Rate change factors
 - CPI Calculation



Historical Rate Adjustment Comparison



Recology San Bruno Annual Rate Increase



Proposed Residential & Commercial Garbage Toter Rate Change Summary



Toter Type	Current Rate	Proposed Rate	Increase
Residential			
32-gallon toter	\$31.93	\$32.53	\$0.60
64-gallon toter	\$63.87	\$65.06	\$1.19
96-gallon toter	\$95.80	\$97.59	\$1.79
Commercial			
64-gallon toter, 1 per week	\$81.14	\$82.65	\$1.51
1-yard container, 1 per week	\$170.32	\$173.50	\$3.18



Postponed Rate Increase

- ▲ Recology proposed to postpone the rate increase to September 1 (The City revised it to October 1 for legal compliance.)
- ▲ The pilot program was launched on July 1, 2021 and consists of Recology collecting and disposing of specified abandoned waste during regular business hours:
 - As reported through the City's SB Responds citizen reporting application;
 - As observed in the public right of way along Recology's daily trash collection routes throughout the City; and
 - As observed during regular patrols of "hotspots" at which abandoned items are regularly or frequently deposited.
- ▲ Determine the effectiveness of the Abandoned Waste Program after 6-month pilot operation, and whether additional staff is necessary.



Public Notice

- Notice mailed on 6/29
- Public hearing schedule
- Protest period
- Approval process
- Rate adjustment
- Proposed increases for garbage, recycling and organics container types
- 20 written protests received as of August 18.

NOTICE OF PROPOSED RATE INCREASES TO

Recology San Bruno's Garbage and Recycling Rates



The San Bruno City Council is considering Recology San Bruno's request for an increase to garbage and recycling service monthly charges. Property owners and Recology customers are being notified of this proposed rate increase. A public hearing will be held by the City Council on August 10, 2021 to hear protests on the proposed rate increase. Written protests related to the proposed new rates may be submitted no later than the conclusion of the public hearing.

Recology has requested the rate adjustment in accordance with its Franchise Agreement with the City to be effective September 1, 2021. The net calculation for FY2021-22 is a 1.867% increase. The rate for a 32-gallon residential totter will increase by \$0.60 from \$31.93 to \$32.53.

For more information about the proposal, please call (650) 616-7086 or visit and click on "Proposed Garbage Rate Increase" at https://www.sanbruno.ca.gov/gov/city_departments/finance/default.htm

Rate increase approval process

The City Council will hold a public hearing on Tuesday, August 10, 2021 at 7:00 p.m. via zoom **(will provide Zoom information in public Notice)**. At the hearing, the City Council will consider public comments, as well as written protests against the proposed garbage rate increase. If you wish to file a written protest, please mail or hand deliver a letter or postcard to: Garbage Rate Protest, City of San Bruno, Office of the City Clerk, 567 El Camino Real, San Bruno, CA 94066. You may also submit a written protest at the public hearing. A written protest must include the name of the property owner or Recology customer submitting the protest, the signature of that person, and the street address or Assessor's Parcel Number (APN) of the service location for which the protest is submitted. If written protests are received with respect to a majority of the parcels served by Recology, then the City Council will not approve Recology's request. To be considered by the City Council, a protest letter or postcard must be received by the City no later than the conclusion of the public input portion of the public hearing scheduled for August 10, 2021.



Timeline to Implement Rate Increase

Date	Item
June 22, 2021	City Council directs staff to provide 45-day notice to property owners.
June 29, 2021	Notices mailed on or before / start 45-day period.
August 17, 2021	City Council holds public hearing, considers any protests, take action to introduce new rate ordinances for first reading, and the 45-day protest period ends.
August 24, 2021	City Council conducts second reading and takes action to adopt new rates by ordinance.
October 1, 2021	New FY2021-22 rates take effect.

Staff Recommendation



- Waive First Reading and Introduce Ordinance Enacting 1.87% Rate Increase for Recology San Bruno Garbage and Recycling Service to be Effective October 1, 2021

Questions

